

SECTION 1

INSTRUCTIONS FOR THE PREPARATION AND SUBMISSION OF THE FY 2007 STATE OPERATING BUDGET

BUDGET PROCESSING AND FORMAT

The Budget Bill for FY 2006 directs that all State Agencies shall prepare and submit budget items detailed by statewide subobject classification in an automated form. These instructions should be followed to assure compliance with these mandates. Any questions concerning the requirement for automated budget data should be referred to Mr. John J. Pirro, Director, Division of Finance and Administration (410-260-7059 or jpirro@dbm.state.md.us).

1. **R*STARS account code structure** must be used in all budget preparation, documentation and submission.
2. **Chart of Accounts** data should be submitted in hard copy and in electronic format either via HOBO or Excel to DBM Director of Finance and Administration as soon as possible but not later than your budget submission deadline, if the following applies:
 - An agency that utilizes subprograms must submit a chart of accounts that identifies the agency, program, subprogram and subprogram name. Any Agency or Program name changes must be coordinated and approved by your assigned Budget Analyst.
 - An agency that uses agency objects must submit a chart of accounts that identifies the agency object code, the meaning of the code, and corresponding Comptroller object code.
 - An agency with an approved reorganization must submit a complete chart of accounts with all agency codes, program numbers, subprograms, Comptroller/agency objects and the corresponding names.
3. **Electronic Format:** All budget submissions must include subobject detail and funding detail for the FY 2005 Actual expenditure, the FY 2006 Appropriation, and the FY 2007 Request. The FY 2005, FY 2006 and FY 2007 numbers should not contain any commas or dollar signs, and negative numbers are expressed with a leading minus sign. *If an amount is zero, then a zero must be used rather than a blank space.*

Submissions must be in one of the following automated formats:

- HOBO; or
- A data set at the Annapolis Data Center in the same format as last year; or
- A diskette (use a spreadsheet and specify the version of Excel used or create a WK.1 format) that contains a record ID and three years of data for each subobject.

Agencies must use the following record layout:

Record ID	<u>18 characters total</u>
Appropriation Code	first 8 characters within the total 18
Object Group	next 2 characters after appropriation
Subprogram Number	next 4 characters after object group
Comptroller or Agency Object	4 characters at the end of the 18 total characters

4. **Written Material:** In addition to the automated submission requirements of number 3 above, agencies may submit their budget requests (including actuals and current year appropriations) on plain white paper in a neatly typed format by program, sub-program, object and subobject. If this format is chosen, the submission must also include object totals by program. HOBOS printouts are also permissible. HOBOS uses the chart of accounts; therefore agencies must submit updated chart of accounts data to DBM in order for HOBOS tables to be updated for the printouts.

Note: Agencies are encouraged to use the "Agency Justification" column in HOBOS to succinctly explain the basis for subobject requests. This will reduce "paper backup" and facilitate DBM and DLS reviews.

5. **Budget amendments** needed to realign or augment current year appropriations, including reorganization, recognition of expenditure needs associated with salary adjustment increase, and other material changes should be submitted to DBM as soon as possible but not later than September 30, 2005. If reorganization occurs, budgets must be realigned for all years in accordance with the planned revision. All current year budget amendments should be incorporated into the automated submission as part of the FY 2006 appropriation, including the COLA and/or Health Insurance allocation and any creation of Major Information Technology Development Project Programs.
6. **Format:** All materials submitted in the budget request are to be on the forms or in the format prescribed by DBM. Any other budget request documentation shall be produced on white paper no larger than 8 ½" X 11" with three (3) holes punched along the margin on the 11" inch side to facilitate binding the forms in standard three ring binders.

FORM SUBMISSION REQUIREMENTS

All agencies must submit an original and two copies of their budget requests to John Pirro, DBM Director of Finance and Administration, 45 Calvert St. Annapolis, Room 170.

All agencies must submit the following forms by their scheduled budget submission date. Please note forms must be at the same level of detail as the budget submission:

(Agency Check List)

ITPR:	Form for each project within general fund target	_____
ITPR:	Form for each project over the general fund target	_____
Form 1	All Agency, Unit and Program Summaries	_____
Form 2	Added Justifications and Supplementary Textual Material (including the Special Appendices Data)	_____
Form 3a	Budget Estimates for non-General Fund revenue	_____
Form 20	Appropriation Statement for non-General Fund revenue	_____
Form 8 & Form 8AF	Motor Vehicle Operation & Maintenance	_____
Form 22	Contractual Employees	_____
Form 23	Schedule of Contracts/Interagency Agreements	_____
Form 24	Schedule of Real Property Leases	_____

Agencies should use the forms that are on the Department of Budget and Management website at www.dbm.maryland.gov - click on Budget.

All MFR submission requirements including program descriptions and program performance discussions are explained in Managing for Results section of these instructions. MFR documents must be submitted using WORD.